#### 3/10/78

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#### THE PRESIDENT'S SCHEDULE

### Friday - March 10, 1978

7:30 (90 min.)	Breakfast with Vice President Walter F. Mondale, Secretary Cyrus Vance, Dr. Zbigniew Brzezinski and Mr. Hamilton Jordan. The Roosevelt Room.
9:00	Dr. Zbigniew Brzezinski - The Oval Office.
9:30	Mr. Frank Moore - The Oval Office.
9:45 (15 min.)	Signing Ceremony for the Nuclear Non-Proliferation Act. (Mr. Frank Moore) - The Cabinet Room.
10:15 (15 min.)	Senator Edward W. Brooke. (Mr. Frank Moore). The Oval Office.
10:30	Mr. Jody Powell - The Oval Office.
11:30 (20 min.)	Meeting with Senators Russell B. Long and Daniel P. Moynihan, and Congressmen Al Ullman and James C. Corman. (Mr. Frank Moore).  The Oval Office.
12:00	Lunch with Senator Paul Hatfield - The Oval Office
1:00 (15 min.)	Postmaster General Benjamin F. Bailar. (Mr. Stuart Eizenstat) - The Oval Office.
1:30 (20 min.)	DNC Chairman John White. (Mr. Hamilton Jordan). The Oval Office.
2:00 (15 min.)	Senator Richard S. Schweiker. (Mr. Frank Moore). The Oval Office.
2:30 (15 min.)	His Excellency Ezer Weizman, Minister of Defense of Israel. (Dr. Zbigniew Brzezinski) - The Oval Office.

THE WHITE HOUSE WASHINGTON March 10, 1978

### Jim McIntyre

The attached was returned in the President's outbox and is forwarded to you for appropriate handling.

Rick Hutcheson

cc: Stu Eizenstat Frank Moore

RE: FEDERAL DISASTER ASSISTANCE

## THE WHITE HOUSE WASHINGTON

FOR STAFFING FOR INFORMATION

FROM PRESIDENT'S OUTBOX

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### THE WHITE HOUSE.

3/8/78

Mr. President:

Eizenstat, Watson, Schultze and Schneiders concur with the OMB/Agriculture positions.

No comment from Jordan or Congressional Liaison.

Rick



#### EXECUTIVE OFFICE OF THE PRESIDENT OFFICE OF MANAGEMENT AND BUDGET WASHINGTON, D.C. 20503

MAR 2

MEMORANDUM FOR: THE PRESIDENT

FROM:

James T. McIntyre,

SUBJECT:

Federal Disaster Assistance

The attached paper presents the results of our review in response to your concern that our emergency loan/grant criteria are too lenient.

This review was conducted initially by a study team composed of representatives of the agencies managing disaster assistance programs, under the leadership of the Federal Disaster Assistance Administration of HUD. The views of the concerned agencies are reflected in this paper.

#### Background

Federal costs for disaster programs have risen dramatically in recent years. Obligations in 1978 will be \$5.2B, involving total interest subsidies of \$.7B (excluding \$.5B in "disaster" payments under the farm commodity price support program).

The primary reason for the high 1978 cost was the severe drought that struck during the 1977 growing season and the Federal reaction to it. Congress, as it invariably does in a large scale emergency, created special new programs to cope with the situation and liberalized the terms of our permanent disaster/emergency programs. Examples are authorizing the one-time drought emergency programs in EDA, Interior, and Agriculture (recommended by the Administration), and lowering the interest rate on SBA and Farmers Home Administration emergency loans to 1 to 3% (both at Congressional initiative).

The normal cycle is then to tighten up the standing emergency/ disaster programs in years in which we have no major disasters of national significance.

#### Context of the paper

This paper does not represent a complete study of our disaster/emergency response mechanism, but rather concentrates on features of emergency/disaster programs that can be adjusted to reduce cost or administrative complexity.

#### Related efforts now underway are:

- President's Reorganization Program study of disaster program organization -- which does not address the questions raised in this paper.
- Administration legislative proposal to remove SBA from the farm emergency/disaster loan program. If that is successful, most of the program inequities will be resolved. Passage is uncertain, however, and therefore this paper assumes it will not pass. Some major issues, such as interest rates, are unaffected by this legislation.
- Agriculture Department study of a broad nationwide crop insurance program to replace the disaster payments provisions of the commodity price support program. Recommendations of that study will be presented to you shortly. Because it is now uncertain as to when such a program will affect existing farm emergency/disaster programs (though it is aimed at replacing them at some future time), this paper assumes continuation of present programs for the next several years.

#### Principal findings

Program diversity: Federal Disaster Assistance Administration, SBA, and FmHA have a variety of similar declaration authorities and financial assistance programs that differ in varying degrees of significance. This is in part due to the fact that they are authorized by different Congressional committees who in turn generally respond to different clientele groups and sometimes (in the case of the 1977 drought particularly) compete in offering emergency victims the best deal. It is also in part due to the fact that different classes of emergency victims do have different types and degrees of need, and programs are tailored to meet them.

Therefore the study did not recommend complete program similarity, but concentrated on resolving a few points of difference that, when applied to the same classes of emergency victims, pose problems of inequity or confusion.

2. Interest subsidy: For programs covered in this study, the interest subsidy on emergency loans represents the primary element of cost.

By special provision of law applicable to the drought period, interest rates on certain SBA and Farmers Home Administration emergency loans were set at from 1% to 3%. This is estimated to cost the Federal Government \$.7B in total interest subsidies over the life of the loans made during FY 1978. According to law, these interest rates revert to 6.6% for SBA and to 5% for FmHA on September 30, 1978. This will reduce costs significantly below current levels.

Attachment 1 presents for your decision the question of whether we should seek permanent legislative changes in interest rates.

3. No credit elsewhere test: The FmHA law has always required documentary evidence from potential emergency borrowers that no private credit was available (the no credit elsewhere test). SBA is prohibited by law from requiring such tests for most emergency borrowers.

Attachment 2 presents for your decision the question of whether comparability should be achieved.

- 4. Consistent definition of physical loss: SBA treats unharvested crop losses during drought as physical losses, and FmHA treats them as physical losses only after harvest, and also applies a 20% loss threshold. This affects the eligibility for loans, the timing of loans, and the accuracy of loan estimates, and whether a credit elsewhere test is applied. If SBA is removed from farm emergency loans, or if credit elsewhere and interest rates are equalized between the two programs, this issue disappears. Otherwise it remains a controversial problem. Attachment 3 presents it for your decision.
- 5. Other proposed changes: Agreement was reached in the study group on several more potential items of change which we will pursue. These are:
  - a. Develop certain consistent objective criteria for emergency declarations. Both SBA and Agriculture have authority to declare emergencies that trigger

loan availability. Different criteria are used and these have a high degree of subjectivity. While the study group agrees that complete conformance and complete objectivity are unachievable, we will pursue attempts to standardize some limited objective criteria relating to (1) loss thresholds and (2) relative ability of state and local resources to deal with the event. We will pursue this administratively.

- b. Eliminate automatic availability of FmHA loans in Presidentially declared emergency areas. This step will avoid situations that make certain farmers eligible for emergency loans for emergencies that are entirely urban in their extent and impact. This is a non-controversial legislative proposal.
- c. Insurance or reinsurance. All members of the review group agreed that the possibility of replacing all emergency relief financial aid with a Federally backed insurance or reinsurance system was worthy of study. Agriculture has already started such a study in regard to commodity loss disaster payments through CCC. We will pursue this administratively.

Attachments

#### Interest Rates

Issue: Should consistent interest rates be established for SBA and FmHA business emergency loans, and if so, at what levels?

<u>Background</u>: Special 1977 drought legislation provided special low interest rates on emergency loans which will revert to standing levels on September 30, 1978 as follows:

Loan type and amount	Special o			Standing as of 9	
Name & Danasa 1	SBA	<u>FmHA</u>		SBA	FmHA
Home & Personal Property Losses (\$ thousands)	96	<b>%</b>		· <del>g</del>	· <b>6</b>
First 10 10-40 Over 40	1 3 6-5/8	1 3 5	)	6-5/8 )	5
Business & Farm Physical Losses (\$ thousands)				•	
First 250 Over 250	3 6-5/8	3 5		6-5/8 6-5/8	5 5
Economic Injury (\$ thousands)					
First 25 Over 25	3 6 <b>-</b> 5/8	8 8		6-5/8 6-5/8	8 8
	•			•	

Congress may press for continuing low interest rates for some emergency loans beyond September 30, 1978.

Even if the law is unchanged, farmers and small businessmen will be treated differently after September 30.

#### Discussion

Arguments can be posed for emergency loans at three general levels:

- market rates (about 9%) to avoid displacing private credit.
- cost of Government borrowing (7-1/2 to 8%) to neutralize the economic cost to the Government.
- subsidized levels (3 to 6%) to demonstrate Government compassion for those in distress.

However, there is little if any justification to offering to the same victims of the same emergency, loans whose interest rates differ just because they are offered by different Federal agencies. If SBA remains in the farm emergency loan field, such interest rate differences will exist under standing legislation after September 30, 1978.

#### Alternatives

#### Business and Farm physical loss interest rates

- 1. 7.8% current cost of treasury borrowings
- 2. 6.625% average cost of all treasury borrowings (permanent SBA)
- 3. 5% fixed subsidized levels (permanent (FmHA)

#### Home and Personal Property loss interest rates

- 1A. Same cost of borrowing level as for business and farm rates (1 or 2 above)
- 3A. 5%
- 4A. 3%

#### Discussion

Historically Congress has insisted on below-market rate loans to emergency victims as a demonstration of compassion. Interest rates as low as 1% were available to homeowners, and as low as 3% to businesses and farms, during the 1977 drought, and forgiveness of up to \$5,000 of principal was available to victims of Hurricane Agnes.

Under present permanent law, no loans will be available at interest rates below 5% after September 30, 1978, but FDAA will offer grants of up to \$5,000 to resore homes and personal property for poverty income level victims. These permanent levels were set in reaction to perceived widespread abuse of the liberal terms of the Agnes period.

Federal financial assistance is intended to aid in quick restoration of homes and personal property to pre-disaster conditions and in restoring the income earning capability of individual victims and of communities.

There is no clear analytical basis for any of the alternative interest rate levels. Theoretically, the degree of Governmental assumption of financial burden should be graduated according to the degree of the victims' economic need. However, no practical way has been identified to administer such a system with the speed and ease required to meet the psychological needs of emergency victims.

The limits of assistance have been established politically to show not only action and compassion, but to try to avoid creating opportunities for significant abuses or windfall profits by the victims at the expense of the general taxpayer.

Two sets of alternatives are identified; one for business and farm loans and one for home and personal property loss. The two classes have normally been treated differently on the apparent basis that because business credit creates income opportunity, whereas home and personal property does not, business credit can carry a higher interest rate. However, there is no test of relative ability to carry the interest, and the homeowner and business owner are often the same individual.

Total cost to the Treasury of \$1B in Federal loans (undiscounted life of the loan cost) at varying interest rates is: 1/

-	at market rate (approximately 9%) profit of	\$ 81.2M
-	at current cost of treasury borrowing (7.8%)	\$ -0-M
-	at average cost of all treasury borrowing (SBA interest rate - 6.625%)	-\$ 77.6M
_	at 5%	-\$181.9M
-	at 3%	<u>-\$304.7M</u>
1/	Assumes an average loan term of 10 years.	

There is no realistic expectation that Congress would support market rates for emergency borrowers. The Small Business Committees have usually insisted upon some subsidy. The Agriculture Committees have historically supported subsidies, but in the last few years have tended toward current cost of Treasury borrowing.

#### Recommendations

#### Agency head recommendations are:

#### Alternative Percentages

	Farm & Business Loans	Home & Personal Property
Small Business Administration	Alt. 3 - 5%	Alt. 4A - 3%
FDAA	defer	defer
Agriculture'	Alt. 1 - 7.8%	Alt. 3A - 5%
OMB	Alt. 1 - 7.8%	Alt. 3A - 5%
Decision:	Aglom B 78	5
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#### "No Credit Elsewhere" Test

Issue: Should a "no credit elsewhere" test be applied to
potential emergency borrowers?

#### Background:

At present, a legal condition of eligibility for certain Federal emergency loans is that a borrower must provide documentary evidence of inability to obtain private credit. For certain other emergency loans, such a test is prohibited by law. The following table shows the distribution:

Loan Type	SBA	FmHA
Home and personal property	prohibited	required
Farm & business physical loss	prohibited	required
Farm & business economic injury	required	required

#### Alternatives:

- Apply "no credit elsewhere" test to all business and farm physical loss loans (legislation required).
- Do not apply "no credit elsewhere" test to business and farm physical loss loans (legislation required).

#### Discussion:

The primary reason for the "no credit elsewhere" test is to avoid giving below market rate Federal loans to those who can afford private credit. It serves as a crude form of test of relative need, and also as a mechanism to avoid Government displacement of private credit.

Its primary disadvantage is that it tends to slow the process of assisting emergency victims and is attacked as unnecessary red tape. A secondary disadvantage is that it forces some emergency borrowers to take loans at higher interest rates than others, thus generating adverse political pressures.

#### Recommendations:

Home and personal property: All agencies recommend that the "no credit elsewhere" test not be applied.

Business and farm economic injury: All agree that the "no credit elsewhere" test should be applied.

#### Business and farm physical loss loans:

SBA and HUD oppose "no credit elsewhere" test.

Agriculture and OMB support "no credit elsewhere" test.

#### Decision:

(Legislation required for either major alternative.)

Apply "no credit elsewhere" test to all business and farm physical loss loans.

Do not apply "credit elsewhere" test to business and farm physical loss loans.

J

### Definition of Crop Production Losses as Physical Losses

Issue: Should damage to crops be treated alike by SBA and FmHA in estimating losses and determining

loan eligibility?

#### Background:

In response to Congressional pressure during the 1977 drought, FmHA and SBA administratively defined "physical loss" to include damage to unharvested crops. FmHA had not previously treated damage to unharvested crops as physical losses because of the uncertainty in estimating loss value before harvest. In addition, SBA did not adopt FmHA's long-standing statutory 20% rule under which crop loss is defined as a production loss greater than 20% of the average production over four of the last five years.

The two agencies now disagree on which to adopt as a permanent policy.

This issue will disappear if the legislation taking SBA out of farm lending is passed.

#### Alternatives:

- 1. Instruct SBA to change its definition of physical loss to include harvested crops only and to apply the 20% loss rule. (May require legislation.)
- 2. Instruct FmHA to change its definition of physical loss to include damage to crops yet unharvested and drop the 20% loss rule. (Will require legislation.)

#### Discussion:

The primary differences between the two approaches are that, if damage to unharvested crops is defined as physical loss,

- a. the farmer is eligible for emergency loans earlier, i.e., during the growing season instead of after.
- b. the value of loss and therefore of loan eligibility is much more imprecise.
- c. for SBA borrowers the test of loss (not applying the 20% threshold) is less rigorous, and therefore eligibility is more easily established.
- d. (unless rectified) the "no credit elsewhere" test does not apply for SBA borrowers only, and interest rates (after September 30) would be lower for FmHA borrowers only.

FmHA believes that losses are very difficult to evaluate during the growing season, therefore requiring a reevaluation at harvest time if loans are made early (thus calling for double workload and financial adjustments). Further, the 20% rule, under which a loss must be shown to be greater than 20% of the average yield over the previous four years, tends to take account of the natural variability of farm yields and the wide tolerance for error in estimating losses.

SBA argues that waiting until harvest and applying the 20% rule puts farmers at a disadvantage compared to other businessmen to whom these rules do not apply.

OMB tends to believe absolute equity between farmers and small businessmen may not be achievable, but does agree with the FmHA that determination of loss at harvestime and application of the 20% rule are appropriate to determining farm losses.

#### Recommendations:

SBA - Alternative 1
Do not wait until harvest and do not apply 20% rule.

Agriculture and OMB - Alternative 2

Determine crop losses only at harvestime and apply the 20% rule.

#### Decision:

Alternative 1 - Do not wait until harvest and do not apply 20% rule.

Alternative 2 - Determine farm losses at harvestime and apply the 20% rule.

J

WASHINGTON

DATE:

02 MAR 78

FOR ACTION: STU EIZENSTAT

HAMILTON JORDANAC

FRANK MOORE (LES FRANCIS)

MACK WATSON

GREG SCHNEIDERS

INFO ONLY: THE VICE PRESIDENT

CHARLES SCHULTZE CON W

BOB LIPSHUTZ

RICHARD PETTIGREW

SUBJECT: MCINTYRE MEMO RE FEDERAL DISASTER ASSISTANCE

- RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +
- BY: 1100 AM SATURDAY 04 MAR 78

ACTION REQUESTED: YOUR COMMENTS

STAFF RESPONSE: ( ) I CONCUR. ( ) NO COMMENT. ( ) HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

## THE WHITE HOUSE WASHINGTON

FOR STAFFING

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ID 781135

#### WASHINGTON

DATE:

02 MAR 78

FOR ACTION: STU EIZENSTAT

HAMILTON JORDAN

FRANK MOORE (LES FRANCIS)

JODY POWELL

JACK WATSON

GREG SCHNEIDERS

INFO ONLY:

THE VICE PRESIDENT

BOB LIPSHUTZ

CHARLES SCHULTZE

RICHARD PETTIGREW

SUBJECT: MCINTYRE MEMO RE FEDERAL DISASTER ASSISTANCE

+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +

BY: 1100 AM SATURDAY 04 MAR 78

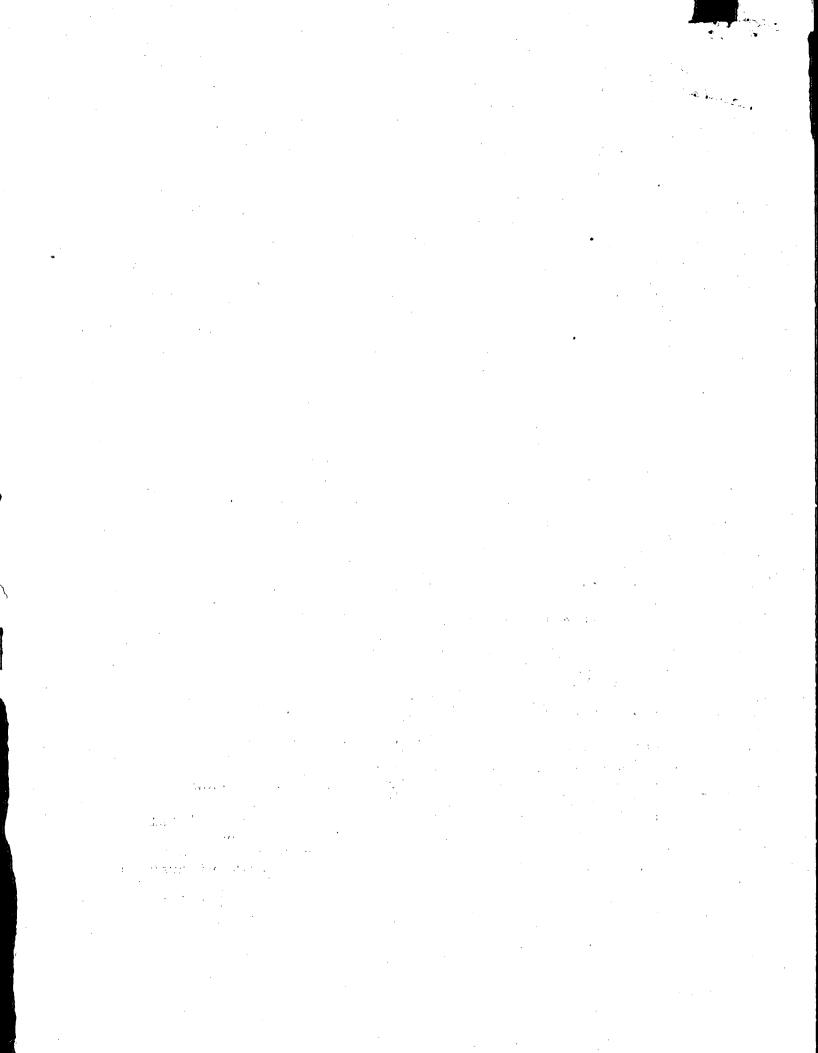
ACTION REQUESTED: YOUR COMMENTS

STAFF RESPONSE: (4) I CONCUR.

MY NO COMMENT. ( ) HOLD.

#### PLEASE NOTE OTHER COMMENTS BELOW:

The timing of any action on this will affect the emergency preparedness reorganization. Sen. Muskie is responsible for the Governmental Affairs hearing on the reorganization and is vitally concerned with this issue. Although this issue cannot be appropriately terated by any reorganization plan, Muskie is hinting through his staff that he might use the emergency preparedness hearing as a forum for forcing action on this. In short, any Administration action on this matter which might satisfy Muskie could prevent this extraneous and possibly harmful element from being introduced into the reorganization hearings.



HE FRESIDENT HAS SEEN

# THE WHITE HOUSE

March 10, 1978

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#### MEETING WITH POSTMASTER GENERAL BENJAMIN BAILAR

Friday, March 10, 1978 1:00 p.m. (15 minutes) The Oval Office

From: Stu Eizenstat

#### I. PURPOSE

Postmaster General Bailar's resignation becomes effective March 15. He intends to discuss H.R. 7700 and the labor negotiations scheduled to begin April 20. He also will indicate his support for your civil service reform and will volunteer to assist in any way he can in selling the plan to the business community.

#### II. PARTICIPANTS AND PRESS PLAN

- A. Participants: Benjamin Bailar, Stu Eizenstat,
  Bob Malson
- B. Press Plan: Press photo opportunity

#### III. TALKING POINTS

- 1. Mr. Bailar will become the Executive Vice President and member of the Board of Directors of U.S. Gypsum in Chicago.
- 2. The coal strike will have an impact on the postal unions posture. What is Bailar's assessment?
- 3. What is the Postal Service's assessment of the impact of the proposed increase in the public service subsidy on the negotiations?

#### THE WHITE HOUSE

WASHINGTON

March 9, 1978

MEETING WITH SENATOR PAUL HATFIELD

Friday, March 10, 1978 12:00 Noon (Lunch) (30 minutes) Oval Office

From: Frank Moore J. m. /pd.

#### I. PURPOSE

To discuss the Panama Canal Treaties.

#### II. BACKGROUND, PARTICIPANTS & PRESS PLAN

A. <u>Background</u>: Senator Hatfield is a member of the Committee on Armed Services. His wife's name is Antoinette.

The Senator is leaning minus on the Treaty. Senator Melcher has been urging him to vote no. Ambassador Mansfield met with him this morning, urged him to vote for the Treaties and told Hatfield that he was going out to the State of Montana and would probably discuss the Treaties while he was there. Our estimate is that the conversation had little impact. Hatfield told Mansfield that he needed amendments on defense rights after 2000 and on operation and maintenance after 2000 in order to support the Treaties. This is Melcher's line.

B. <u>Participants</u>: The President Senator Hatfield

C. Press Plan: White House Photo

#### III. TALKING POINTS

1. You should urge Senator Hatfield not to support amendments to the Treaties and explain to the Senator why amendments to the Treaties at this time are not in the national interest, nor in the best interests of your presidency.

- 2. If the Senator has questions about defenserelated issues, you should indicate to him
  that the Joint Chiefs will be happy to brief
  him. If he has questions about the ability
  of the Panamanians to properly operate and
  maintain the Canal after 2000, State Department
  officials can brief him on that subject.
  Both of these subjects have already been
  explored in depth on the Senate floor and in
  various briefings given to members of Congress
  by Administration officials.
- 3. You should approach him with the idea of using the language of condition which you devised in order to address his concerns. Conditions could easily be drafted dealing with the points the Senator has raised. By using conditions rather than amendments to the text of the Treaties, the Treaties would not be thrown open to renegotiation and the Panamanians would not have an opportunity to make additional demands on the United States.

#### THE PRESIDENT HAS SEEN.

#### THE WHITE HOUSE

WASHINGTON

March 9, 1978

### MEETING WITH SENATORS RUSSELL B. LONG & DANIEL PATRICK MOYNIHAN AND CONGRESSMEN AL ULLMAN & JAMES C. CORMAN

Friday, March 10, 1978 11:30 a.m. (15 minutes) The Oval Office

From: Frank Moore FW/DT

#### I. PURPOSE

To discuss welfare reform.

#### II. BACKGROUND, PARTICIPANTS & PRESS PLAN

A. <u>Background</u>: Senator Long is a member of the following Committees: Committee on Commerce, Science, and Transportation: Chairman, Subcommittee on Surface Transportation; Committee on Finance, Chairman; Joint Committee on Taxation, Chairman. His wife's name is Carolyn.

Senator Moynihan is a member of the following Committees: Committee on Environment and Public Works; Committee on Finance: Chairman, Subcommittee on Public Assistance. His wife's name is Liz.

Rep. Corman (21st, California), is a member of the following Committees: Committee on Ways and Means: Chairman, Subcommittee on Public Assistance and Unemployment Compensation; Chairman, Subcommittee on Welfare Reform; Committee on Small Business. His wife's name is Nancy Malone. (They were married two months ago.)

Rep. Ullman (2nd, Oregon), is Chairman of the Committee on Ways and Means. His wife's name is Audrey.

Rep. Corman requested this meeting. His purpose in seeking the meeting was to obtain, in the presence of the President, some indication from the Senate side of the date by which the Finance Committee

Barrell Albarra (1998)

would have to receive the welfare reform bill in order to complete action this year.

Since Corman requested the meeting, a couple of factors have become more clear:

- 1. Ullman's schedule for tax reform (hearings through April 15, markup finished by May 15, final House action about June 15) would delay welfare reform in Ways and Means until long after the date by which Corman had hoped it could pass the House. Agriculture Chairman Foley will not act on the food stamps part of of the bill until Ullman's Committee has acted.
- 2. It appears that Long and Ullman have met and discussed the schedule and have some agreement on the timetable for various pieces of legislation.
- 3. Our hospital cost containment legislation has been ordered reported by the Rostenkowski Subcommittee and could be used as a ploy by Ullman if he wants to put the Administration in an "either-or" situation. Rostenkowski and Rogers have agreed to move in Rogers' Committee first and then in Ways and Means.

Corman believes strongly that the Administration generally and the President in particular should be pushing strongly for his Subcommittee's bill (H.R. 10950) because it retains the basic concepts of the original Administration proposal (H.R. 9030) and is relatively close in terms of costs -- at least on the public assistance side of the package. He wants to move soon in Ways and Means on his bill, knowing that Ullman will at some point offer his bill as a substitute.

We have discussed with Corman in general terms the possibility of putting something together in the Ways and Means Committee in order to get a bill which a majority of the Committee would support. But Corman wants to push his bill, and he wants vigorous Administration support.

Corman is in a tough spot. If he moves to the right -to either the Republicans or Ullman, he risks losing
some of the liberals who were his strongest supporters

on the Welfare Reform Subcommittee. If he does not, he probably cannot get the bill out of Committee. Corman's closest ally during Subcommittee consideration of the bill was Charlie Rangel who believes the Subcommittee bill should be kept intact.

Another new factor on the Senate side is the Baker-Bellmon-Ribicoff bill which will be introduced soon in the Senate. This bill was approved by the Republican National Committee and will be touted by the GOP as a more realistic and less costly alternative. It increases the earned income tax credit, sets national standards under AFDC and provides fiscal relief. It has a lot of appeal as an incremental proposal. The fact that Ribicoff is on the bill is significant, although Baker may not be serious about pushing it unless welfare reform heats up.

Moynihan seems to have become lukewarm (again) on the subject of welfare reform. His staff has said recently that his major interests now are increasing benefits in low-benefit states and fiscal relief. The staff has suggested looking again at H.R. 7200 (now on the Senate calendar) as a vehicle for making further changes in the AFDC program. (You never know the extent to which staff speaks for Moynihan.)

If we were successful in pushing the welfare reform bill through only the House this year on the assumption that we could begin with a leg up in the next Congress, we could be in for a surprise. It might be impossible to duplicate the feat of putting together another special subcommittee to deal with a comprehensive package. As you know, Ullman is even less sanguine about the procedure now that he has seen it in operation. And Foley is not enthusiastic.

At this point, Foley and Ullman are cooperating. We can get the jobs section of the bill out of Education and Labor when we want it. The key is Ways and Means.

#### B. <u>Participants</u>:

The President
Senator Russell B. Long
Senator Daniel Patrick Moynihan
Congressman Al Ullman
Congressman James C. Corman
Secretary Califano
Secretary Marshall
Frank Moore

C. Press Plan: White House Photo

#### III. TALKING POINTS

See attached memorandum.



### THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE WASHINGTON, D. C. 20201

March 9, 1978

MEMORANDUM FOR THE PRESIDENT

FROM:

JOE CALIFANO

SUBJECT: WELFARE MEETING ON MARCH 10, 1978

You are meeting tomorrow with Jim Corman, Al Ullman, Pat Moynihan and Russell Long to discuss the status of welfare reform legislation. Rather than write a lengthy memorandum, I hope we can talk for a couple of minutes before you meet with the Members.

I think we still have a chance to get welfare legislation this year that will be a significant improvement over the present system and that will embody a number of important principles and features that we have advanced over the past year. I suggest you make at least the following three points:

First, Ullman should commit to reporting a bill out of Ways and Means by a date certain.

Second, Ullman, Corman and I should work together to devise the best possible bill that can move quickly through Ways and Means. Ullman has already moved some distance from his position last year, and with a date certain Corman thinks there is hope we can move Ullman's bill towards Corman's -- and closer to your original proposal.

Third, Moynihan's welfare reform subcommittee should re-open hearings as soon as possible on the various welfare reform proposals on the table: The Administration proposal, the Corman Subcommittee bill, the Ullman bill, and the Baker-Bellmon-Ribicoff bill (which Tom Joe has been working on with them and which may look a good deal like Ullman). With immediate action in the Subcommittee, the Finance Committee will be in a position to move quickly when a bill comes out of the House. We have followed a similar procedure with Hospital Cost Containment, where bills have been proceeding in the House Committees at the same time that we worked with Senator Talmadge and Senator Kennedy.

# THE WHITE HOUSE

March 9, 1978

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MEMORANDUM FOR:

THE PRESIDENT

FROM:

STU EIZENSTAT The FRANK MOORE J. m./pd.

SUBJECT:

Welfare Reform Meeting With Senators Long and Moynihan and Representatives Ullman and Corman

Attached is a longer briefing for a meeting with Representatives Corman and Ullman and Senators Long and Moynihan. We are bothered by the potential for the following "worst case" result, which <u>could</u> come from tomorrow's meeting:

- o Senator Long may state he feels Senate action on the bill this year is highly unlikely;
- o As a result Representative Ullman, who is not very enthusiastic about bringing a welfare reform bill to the floor of the House this year, may use Senator Long's reluctance as an excuse to state that he is not inclined to move. The result would be a conclusion in this meeting that welfare reform is dead for the year.

In order to avoid this result, we suggest that you:

- o Congratulate both Corman and <u>Ullman</u> for their hard work on this issue and urge them to work together to achieve a compromise that is also consistent with the Administration's basic purpose. (Corman has told HEW that he is prepared to negotiate with Ullman.)
- o Urge Ullman to act as quickly as possible on welfare reform in the Ways and Means Committee once tax reform is finished -- but avoid discussion of a specific date, which might jeopardize full consideration of reform aspects of our tax proposal.

With respect to the Senators, we would suggest that you:

- o Request that they at least reserve judgment on whether action in the Senate is possible this year until we see how much progress is made in the House;
- o Urge Senator Moynihan to complete hearings immediately on the Administration's bill and on other substantial reform initiatives, such as one by Senators Baker, Bellmon, and Ribicoff, which have recently been introduced.

THE WHITE HOUSE WASHINGTON

March 10, 1978

Jody Powell

The attached was returned in the President's outbox. It is forwarded to you for your information.

Rick Hutcheson

a Tody

#### U.S. DEPARTMENT OF LABOR

OFFICE OF THE SECRETARY
WASHINGTON

March 8, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: SECRETARY OF LABOR, Ray Marshall

SUBJECT: HIRE Program for Vietnam-era Veterans

In response to the Monday Washington Post editorial and our discussion at the Cabinet meeting, I would like to set the record straight about the HIRE (Help Through Industry Retraining and Employment) program for Vietnam-era veterans.

As you know, the program was part of the Economic Stimulus Package, which although announced in January 1977, did not pass Congress until May. The \$140 million program, which was formally launched last June at a White House conference, has two separate parts. One is a voluntary hiring program run by the National Alliance of Businessmen (NAB) and the other is a Federal program under which the Department of Labor reimburses employers for the cost of taking on eligible new employees. The NAB also assists the Labor Department in promoting the Federal program.

The goal of these two portions of the HIRE program was to create 100,000 jobs for Vietnam-era veterans by September 1978. To date, the voluntary portion has 76,000 jobs pledged and 21,000 workers actually hired. The Federal program has hired 8,000 people at a cost of \$13 million and there is an additional \$6 million in pending contracts to hire 4,000 more people.

HIRE is <u>not</u> exclusively a veterans program. Long-term unemployed workers and welfare recipients can be hired if there are not enough eligible veterans to fill available jobs. To date, about 78 percent of the participants in the Federal program are veterans.

It is true that many employers have been reluctant to participate in the reimbursable portion of the program. However, their preference for the voluntary portion has not yet seriously underminded the employment goals. The program has had its problems, but they are not nearly as severe as they have been reported in the press. In an effort to clear the air, I will submit to the Washington Post this week a response to their editorial.

What has been lost amid the criticism of the HIRE program is the dramatic change in the unemployment picture for Vietnamera veterans. In the last four months, the unemployment rate for Vietnam veterans, aged 20-24, has declined by one-third, from 18.9 percent in September to 12.9 percent in January. In the same period the unemployment rate for all Vietnam veterans dropped from 7.4 percent to 5.7 percent. Currently, Vietnam veterans have an unemployment rate which is 1.4 percent lower than non-veteran males between the ages of 20 and 34.

To help achieve the goals of the HIRE program by the end of this Fiscal Year, we are in the process of making the following three changes:

- (1) Approximately \$20 million of the \$140 million in HIRE funds have been spent or are involved in pending contracts. Of the remaining \$120 million, \$100 million will be allocated to CETA prime sponsors to hire Vietnam-era veterans.
- (2) The remaining \$20 million will be used to continue the national HIRE program and to fund veterans organizations to help Vietnam-era veterans with employment problems. Veterans organizations have been involved in the HIRE program from the outset.
- (3) Currently, our regulations require an employer to hire 15 people to participate in the reimbursable portion of the HIRE program. We intend to remove that restriction, but to avoid excessive paperwork, we will insist on a reasonable amount of hiring related to the size of the company.

These three changes should bring about significant improvements in the HIRE program. We will continue to work closely with the NAB and continue to utilize the Veterans Employment Service.

meeting 3/8/78

WASHINGTON

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signing ceremony for the nuclear non-proliferation act 3/10/78

THE WHITE HOUSE WASHINGTON

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POWER VS EXPLOSIVES

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E OTHER NATIONS : PREDICTABLE

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40 NATIONS INFCE

CRBR - PLUTONIUM

LWBR - LICENSING

WASHINGTON

March 10, 1978

MEMORANDUM FOR THE PRESIDENT

FROM:

Jack Watson

RE:

STATUS OF THE COAL SITUATION

- -- The Department of Justice Emergency Program Center reports no serious disruptions; minor incidents are being handled satisfactorily by state and local officials at this time. The U. S. Attorneys who met here yesterday generally do not expect miners to return to work under the Taft-Hartley and report that many of the miners continue to believe that this is only a preliminary step to seizure of the mines. They also unanimously emphasized the need for federal financial assistance for states that call out the National Guard for extended periods of time. It was a useful meeting for them and for us.
- -- The DoE Coal Supply Task Force expects continued improvement in coal shipments, from both production and ready stocks. The chart below demonstrates the gradual increase that has occurred since production bottomed out at the end of January; total shipments may reach 8.2 million tons during this week.

Week Ending	Reported Shipments in Million Tons	Increase Over Last Week in Million Tons
1/28	4.8	
2/4	4.8 5.4 <b>1</b>	0.6
2/11	6.1	0.7
2/18	6.6	0.5
2/25	6.7 🤝	0.1
3/4	7.5 1	0.8

The Task Force also predicts (based on their information from the field) that the return to work will be slow and will begin with non-UMWA mines which were not producing because they were striking in sympathy or being picketed.

0

-- Griffin Bell just called to tell me that, because of an incredible error, the Summonses were not attached to the Complaints and TRO's which were delivered by special courier early this morning to all the marshalls in the field for service. The mistake was discovered at approximately 10:00 a.m. and Summonses were delivered by planes leaving Washington at 2:30 this afternoon.

The consequence of all this is that we lost a whole day. Service will begin early tomorrow morning. Unfortunately, only two states (Illinois and Indiana) allow service of process on Sundays, so that the balance of the Complaints will have to be served on Monday.

9:32 p.m.	Remarks by Mark Russell.
9:42 p.m.	Skit by Jody Powell and Mystery Guests.
10:02 p.m.	Remarks by Paul Duke, Outgoing President, concluding in your introduction.
10:05 p.m.	PRESIDENTIAL REMARKS.
	PRESS POOL COVERAGE
10:20 p.m.	Remarks conclude. You thank your hosts and depart Grand Ballroom en route motorcade for boarding.
10:25 p.m.	Motorcade departs Washington Hilton Hotel en route South Grounds.
10:35 p.m.	Motorcade arrives South Grounds.

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JODY - FOOL OUTSIDE WH SPIRIT OF EVENING ZBIG-STAN. GRIFFIN - HAM. BERT ME THANKS! FANDRAGLE NEWS CONERAGE POPULARITY. PRESTIGE- POWER COAL STRIKE ALLEN - PANAMA. 1/2 - POLESTINE CABINET SUPPORT SALT No SEIZURE. STRAUSS MARSHAU IN UNDECIDED LINKAGE . NSC - STATE IN UNDECIDED BACK IN THE STRADDLE AGAIN STAFF 2816 = CUBA/AFRICA - BAY 9 165 SIEGLES JOB - LIAISON - JEWS FM = PHILLY CALL HAM- NON PARTISAN - REALS GOT CONSTRUATIVE - WEST - HO - BERT - CHULL PERCY Jody - STREY Award Wanted BAR

COME TONIGHT

Radio To Bauguet EVENT was 3/4/75 not 1 - 78

WASHINGTON March 10, 1978

MEMORANDUM FOR THE PRESIDENT

FROM:

HUGH CARTER

SUBJECT:

Weekly Mail Report (Per Your Request)

Below are statistics on Presidential and First Family:

INCOMING	WEEK ENDING	3/3	WEEK ENDING	3/10
Presidential	34,730		40,040	
First Lady	1,670		1,510	
Amy	920		650	
Other First Family	60		65	
TOTAL	37,380		42,265	
BACKLOG				
Presidential	6,680		7,400	
First Lady	2.20		180	
Amy	0		0	
Other	0		0	
TOTAL	6,900		7,580	
DISTRIBUTION OF	PRESIDENTIAL	MAIL	ANALYZED	
Agency Referrals	PRESIDENTIAL	MAIL	ANALYZED	
Agency Referrals WH Correspondence		MAIL	· · · · · · · · · · · · · · · · · · ·	
Agency Referrals WH Correspondence Direct File	17% 51% 18%	MAIL	15% 50% 19%	
Agency Referrals WH Correspondence Direct File White House Staff	178 518 188 48	MAIL	15% 50% 19% 4%	
Agency Referrals WH Correspondence Direct File	17% 51% 18%	MAIL	15% 50% 19%	
Agency Referrals WH Correspondence Direct File White House Staff	178 518 188 48	MAIL	15% 50% 19% 4%	
Agency Referrals WH Correspondence Direct File White House Staff Other	17% 51% 18% 4% 10%	MAIL	15% 50% 19% 4% 12%	
Agency Referrals WH Correspondence Direct File White House Staff Other TOTAL	17% 51% 18% 4% 10%	MAIL	15% 50% 19% 4% 12%	

cc: Senior Staff

# MAJOR ISSUES IN CURRENT PRESIDENTIAL ADULT MAIL Week Ending 3/10/78

ISSUES	PRO	CON	COMMENT ONLY	NUMBER OF LETTERS
Support for President's Proposal to Increase Aid for Financing Higher Education	5%	95%	0	2,931
Support for Proposed Middle East Aircraft Sale	4%	88%	88	904
Support for Intervention in Coal Strike	67%	17%	16%	896
Support for Panama Canal Treaties (1)	8%	91%	1%	763
Suggestions re: Tax Reform Package	0	0	100%	336
Support for Grain Reserve Program	100%	0	0	268
Support for Protest Against Japanese Slaughter of Dolphins (2)	89%	11%	0	250
Support for President's Proposed Defense Budget	4%	.96%	0	216
Suggestions re: Middle East Peace	0	0	100%	203
Increased Federal Funding for Farmers	97%	1%	2%	190
Support for Labor Law Reform Bill	4%	90%	6%	159
•			TOTAL	7,116

See Notes Attached

not subnitivel

# NOTES TO MAJOR ISSUE TALLY Week Ending 3/10/78

### (1) SUPPORT FOR PANAMA CANAL TREATIES (91% Con)

In addition to the regular mail, 96,000 pieces of propaganda mail against the Treaties have been received in the past two weeks.

### (2) SUPPORT FOR PROTEST AGAINST SLAUGHTER OF DOLPHINS (89% Pro)

Writers are urging the President to take strong diplomatic actions to stop the killing of dolphins by Japanese fishermen.

WASHINGTON

March 10, 1978

MEMORANDUM FOR

RICK HUTCHESON

FROM

KATHY FLETCHER IM

SUBJECT:

Attached Presidential letter to

Senator Garn

This is a revision of a letter approved and signed some time ago. Further consultation with Dan Tate and the Interior Department resulted in discarding the earlier letter.

This letter is not very different from the original, but sets a much more positive tone.

I do not know whether the President would want to see this, but our judgment is that the signature machine could be used.

Could you handle as you see fit and return the signed letter to me? (We need to coordinate timing of release.)

If backup is needed for the President, you will find it in your files dated December 5.

Thanks.

Attachment

KATHY:

Attached is the letter.

The President has indicated in the past that he doesn't like things held up without his knowledge once he has made a decision. This has been held for 3 months!

Rick Hutcheson

cc: Dan Tate

letterus quanto Joanne for dellur - handling

### THE WHITE HOUSE WARHINGTON

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# THE WHITE HOUSE WASHINGTON

### March 13, 1978

To Senator Jake Garn

You recently proposed that I issue an Executive Order to consolidate land use and environmental decision-making by the Interior Department. I asked Interior Secretary Andrus and Council on Environmental Quality Chairman Warren to analyze the proposed Order and they have now reported back to me.

Both the Interior Department and the Council on Environmental Quality concur in the objectives of the Order you proposed. Secretary Andrus is taking several actions within the Department to make Bureau of Land Management planning and decision-making more efficient and responsive:

- 1. The Bureau of Land Management is promulgating regulations under the new Federal Land Policy and Management Act of 1976, which will address the issues of legal effectiveness of BLM land use plans and relationships between land use and environmental decision-making processes. This public review process may help BLM respond fully to the intent of your proposed Order. There will be extensive public involvement in that process.
- The Bureau of Land Management has also been directed to test the utility of preparing environmental impact statements at the same time and for the same area covered by multiple-use land use plans. The purpose here, in part, is to reduce the cost and delays involved in preparing environmental statements on specific implementing actions within a multiple-use planning area.

While these actions are generally consistent with the objectives of your proposed Executive Order, I am also directing the Department to modify the current test procedure to include full consideration of land-use planning and environmental impact analysis in additional test areas, and to report back to me through the Secretary as soon as field tests can be completed and evaluated. I am also directing the Secretary to use the new draft guidelines on environmental impact statement preparation, which were prepared at my request to make environmental analysis less burdensome and more productive in these tests.

I trust that these actions will result in prompt improvement in consolidation of land use and environmental decision processes in the Department, and I am further prepared to take additional actions, including an Executive Order, if that proves necessary.

Sincerely,

The Honorable Jake Garn United States Senate

Washington, D. C. 20510

## THE WHITE HOUSE WASHINGTON

December 5, 1977

Stu Eizenstat

The attached was returned in the President's outbox today and is forwarded to you for appropriate handling. The signed original has been given to Frank Moore for delivery.

Rick Hutcheson

LETTER TO SEN. GARN ON PROPOSED EXECUTIVE ORDER

cc: Frank Moore

### THE WHITE HOUSE WASHINGTON

12/4/77

Mr. President:

Stu's suggestion would be acceptable to CEQ.

Rick

WASHINGTON

MEMORANDUM FOR

THE PRESIDENT

FROM

STU EIZENSTAT KATHY FLETCHER Sh

SUBJECT:

Secretary Andrus' Analysis of Senator Jake Garn's Proposed Executive Order

Secretary Andrus has analyzed Senator Jake Garn's proposed Executive Order regarding land use planning and environmental analyses for decisions on federal lands. He feels that the Executive Order's objectives are sound, but that the Interior Department is already working in that direction and that issuance of the Executive Order would disrupt ongoing reform efforts and duplicate an existing commitment in the Department. He also feels that some specific provisions of the proposed order might preclude necessary environmental analysis. The most serious problem appears to be that public input to Interior's regulations under the new Federal Land Policy and Management Act would be preempted by this Order.

I concur with Secretary Andrus' view that the Order should not be issued. I think we should avoid Presidential directives in instances where the Department is already attempting reforms. I would recommend that you send a letter to Senator Garn explaining the reasons we are not issuing the Order. However, if you do feel we have a commitment to Garn to issue an Order, I think the Interior Department should draft an Order which is consistent with their current reforms.

#### **DECISION**

Send letter to Senator Garn explaining that the proposed Order will not be issued (draft attached) recommended	1/
Have Interior redraft the Executive Order to be consistent with their reforms	
Other	

# THE WHITE HOUSE WASHINGTON

### To Senator Jake Garn

Last month you proposed that I issue an Executive Order to consolidate land use and environmental decision-making by the Interior Department. I asked Interior Secretary Andrus and Council on Environmental Quality Chairman Warren to analyze the proposed Order and they have now reported back to me.

Both the Interior Department and the Council on Environmental Quality concur in the objectives of the Order you proposed. Secretary Andrus is already undertaking several efforts within the Department to make Bureau of Land Management planning and decision-making more efficient and responsive.

There are two efforts underway in the Interior Department which I believe make the issuance of an Executive Order premature:

- 1. The Bureau of Land Management is promulgating regulations under the new Federal
  Land Policy and Management Act of 1976,
  which will address the issues of legal
  effectiveness of BLM land use plans.
  There will be extensive public involvement in that process, and the issuance
  of an Executive Order might preclude
  public involvement on these important
  questions.
- 2. The Assistant Secretary of Interior for Land and Water Resources has already directed the Bureau of Land Management to test the use of an environmental impact statement at the land use planning

level, as your proposed Order would require. From that test, the Interior Department will be able to determine the degree to which subsequent "site specific" environmental analyses can be avoided.

Your proposed Executive Order has been very help-ful to Interior and CEQ in analyzing land use and environmental procedures. I appreciate it very much.

Sincerely,

The Honorable Jake Garn United States Senate Washington, D.C. 20510

WASHINGTON

THE PRESIDENT Prof. of Standard Standar

MEMORANDUM FOR

FROM

SUBJECT:

Senator Jake Garn's Proposed Executive Order

Following up on your discussion with Senator Garn concerning the desirability of issuing an Executive Order expediting the approval of deep coal mines under the jurisdiction of the Interior Department, my staff has examined the draft Order provided by Senator Garn's office. We have also met with the drafter, a lawyer from Salt Lake City.

The scope of the proposed Executive Order is much broader than the way Senator Garn apparently characterized it to However, it may be a very good suggestion. would consolidate land use planning and environmental impact statements under the Federal Land Management and Planning Act and the National Environmental Policy Act. It would apply to all federal land use decisions -- mining, grazing, timbering, power plants, etc. -- under the purview of the Bureau of Land Management.

I propose that Secretary Andrus and the Council on Environmental Quality analyze the proposed Executive Order and that you send the attached letter to Senator Garn following up on your commitment to him. I will then forward the materials to Cecil Andrus and Charles Warren for their analysis.

Attachment

washington October 20, 1977

### To Senator Jake Garn

I would like to follow up on our discussion concerning the desirability of an Executive Order to expedite the approvals of deep coal mines under the jurisdiction of the Interior Department. Subsequent to our meeting, my staff has examined the proposed Order provided by your office and have met with Constance Lundberg of Salt Lake City to discuss it in detail.

The Order would consolidate land use planning and environmental decision-making on all Bureau of Land Management lands under the Federal Land Management and Planning Act and the National Environmental Policy Act. It would apply to all types of federal land use decisions, including deep coal mines. As you know, I am eager to make federal decision-making as efficient and responsive as possible. I am therefore very intrigued with your suggested improvements on Interior Department environmental and land use procedures.

Because of the broad scope of the proposed Executive Order, I would like to ask your indulgence to have the Interior Department and the Council on Environmental Quality examine it in detail. I will ask them to analyze the proposed Order and report back to me within 30 days.

Thank you very much for your excellent suggestion.

Timun

Sincerely,

The Honorable Jake Garn United States Senate Washington, D. C. 20510

WASHINGTON

·Date:

November 28, 1977

**MEMORANDUM** 

FOR ACTION:

Stu Eizenstat

Bob Lipshutz / hut

FOR INFORMATION:

The Vice President Frank Moore (Les Francis)

Jack Watson

Jim McIntyre

Charles Warren comment

FROM: Rick Hutcheson, Staff Secretary

SUBJECT:

Andrus memo dated 11/22/77 re Proposed E.O. on Management

of Public Lands as Suggested by Sen. Jake Garn

YOUR RESPONSE MUST BE DELIVERED TO THE STAFF SECRETARY BY:

TIME:

12:00 Noon

DAY:

Wednesday

DATE:

November 30, 1977

**ACTION REQUESTED:** 

X Your comments

Other:

Jane w it should be bowed to The Carl

**STAFF RESPONSE:** 

\_\_ I concur.

\_\_ No comment.

Please note other comments below:

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)



### United States Department of the Interior

## OFFICE OF THE SECRETARY WASHINGTON, D.C. 20240

NOV 22 1977

#### MEMORANDUM

TO:

The President

FROM:

Cecil D. Andrus

SUBJECT:

Proposed Executive Order on Management of Public Lands

as Suggested by Senator Jake Garn

The draft Executive Order was submitted to this Department for analysis and comment, along with a copy of your October 20, 1977, letter to Senator Garn.

The draft order would direct the integration of environmental assessment under the National Environmental Policy Act of 1969 with the land use plans required under the Federal Land Policy and Management Act of 1976 (Public Law 94-579). It would require that (1) environmental statements be prepared as input to the approval of land use plans, (2) approved land use plans be legally effective decision documents, (3) public land management decisions be consistent with land use plans, and (4) environmental analysis, required by the National Environmental Policy Act, for specific implementing management decisions not duplicate the materials or assessments contained in the environmental impact statements for the land use plan.

We concur in the objectives of the draft order. But we strongly recommend <u>not</u> issuing the Executive Order at this time until we can complete two developmental tasks:

1. Assistant Secretary for Land and Water Resources, Guy Martin, has already directed the Bureau of Land Management (BLM) to test the use of an environmental statement at the land use planning level. (BLM uses the term "Management Framework Plan" for this level of planning.) From that test, we should be able to determine the degree to which resource management actions, such as issuing a coal lease, authorizing livestock grazing, etc., can be evaluated and described and the degree to which subsequent site specific environmental statements would be needed. Our opinion is that an action authorizing a coal mine would probably need a subsequent site specific environmental statement. Our scheduled test and evaluation of results should help us assess the utility of section 2 in the draft order as a means of expediting

- the public land planning and decisionmaking process. The draft order language could be counterproductive in that respect.
- 2. Assistant Secretary Martin is also working on regulations to implement the planning section (202) of the Federal Land Policy and Management Act of 1976. These regulations will address the issues of legal effectiveness of land use plans and consistency of action with land use plans (sections 3 and 4 in the draft order). We are about ready to start the public consultation process on our ideas in this area, prior to proposed rulemaking. We feel that this process should be completed and its results used in the development of policy positions on the subject issues. Issuance of the Executive Order at this point would greatly confuse our public participation process.

For the above reasons, we strongly recommend delaying issuance of the Executive Order. Upon completion of the above-described test and regulations development process, we can assess the need for an Executive Order and will make an appropriate recommendation.

Lie D. andres

# EXECUTIVE OFFICE OF THE PRESIDENT COUNCIL ON ENVIRONMENTAL QUALITY 722 JACKSON PLACE, N. W. WASHINGTON, D. C. 20006

November 30, 1977

Memorandum For Stu Eizenstat

From: Charles Warren

Subject: Proposed Executive Order on Management of the Public Lands

as Suggested by Senator Jake Garn

Rick Hutcheson sent us a copy of Secretary Andrus' memorandum to the President regarding the proposed Executive Order on Management of the Public Lands. Since the Council has been involved with these issues in the past, we would like to share our views with you. We join the Secretary in endorsing the objectives of the proposed order and welcome the steps now being taken by the Bureau of Land Management to determine whether they can be met without the issuance of a Presidential directive.

The proposed Executive Order would require that environmental factors receive full consideration at the land use planning level rather than later on after basic planning choices have been made; that land use plans be binding on the Bureau once they are adopted, rather than optional guidance which can be set aside at the discretion of the Bureau; and that duplication of environmental analyses be eliminated. The Council has urged the Bureau to adopt these procedures for several years and its failure to do so has, in our view, impaired its decisionmaking. Its current planning process has also drawn criticism from commercial interests that use the resources of the public lands, environmentalists and public officials.

With the adoption of the Federal Land Policy and Management Act of 1969, Congress strengthened the authority of the BLM and placed renewed emphasis on the role of its land use planning process. Adoption of the procedures contained in the proposed Executive Order would further enhance the Bureau's management of the public lands.

We appreciate the opportunity to comment on this matter.

cc: Robert Lipshultz Rick Hutcheson Date: November 28, 1977

MEMORANDUM

FOR ACTION: Stu Eizenstat

Bob Lipshutz

FOR INFORMATION:

The Vice President

Frank Moore (Les Francis)

Jack Watson Jim McIntyre

Charles Warren

XC: Tate

Cable

FROM: Rick Hutcheson, Staff Secretary

SUBJECT:

Andrus memo dated 11/22/77 re Proposed E.O. on Management of Public Lands as Suggested by Sen. Jake Garn

YOUR RESPONSE MUST BE DELIVERED TO THE STAFF SECRETARY BY:

TIME: 12:00 Noon

DAY: Wednesday

DATE: November 30, 1977

ACTION REQUESTED:

X Your comments

Other:

STAFF RESPONSE:

\_\_\_\_ I concur.

\_\_\_ No comment.

Please note other comments below:

Several months ago,
The President made a face-to-face

Commitment to Sen. Garn to issue "tomorrow

Such an executive order. several

Neorths ways. Further delays will

provoke more charges of broken

Commitments.

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

WASHINGTON

Date: November 28, 1977

MEMORANDUM

FOR ACTION:

Stu Eizenstat Bob Lipshutz FOR INFORMATION:

The Vice President

Frank Moore (Les Francis)

Jack Watson Jim McIntyre Charles Warren nzo O

XC Walley

FROM: Rick Hutcheson, Staff Secretary

SUBJECT:

Andrus memo dated 11/22/77 re Proposed E.O. on Management

of Public Lands as Suggested by Sen. Jake Garn

YOUR RESPONSE MUST BE DELIVERED TO THE STAFF SECRETARY BY:

TIME: 12:00 Noon

DAY: Wednesday

DATE: November 30, 1977

**ACTION REQUESTED:** 

\_\_x\_ Your comments

Other:

**STAFF RESPONSE:** 

\_\_\_\_ I concur.

No comment.

Please note other comments below:

### PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

## THE WHITE HOUSE WASHINGTON

FOR STAFFING
FOR INFORMATION

FROM PRESIDENT'S OUTBOX

THE MO DESTRENT TODAY

					PRESIDENT TODAY
<del></del>		IM	MEDIATE	3	TURNAROUND
ACTION FYI					
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	MONDALE				ENROLLED BILL
	COSTANZA		F		AGENCY REPORT
	EIZENSTAT	;	·		CAB DECISION
	JORDAN				EXECUTIVE ORDER
	LIPSHUTZ		•		Comments due to
	MOORE		•		Carp/Huron within
	POWELL		•		48 hours; due to
	WATSON		•		Staff Secretary
	McINTYRE	C C	•		next day
	SCHULTZE		•		
			•		•
4	ARAGON		. 1		KRAFT
	BOURNE				LINDER
	BRZEZINSK	I			MITCHELL
	BUTLER				MOE
•	CARP				PETERSON
	H. CARTER				PETTIGREW
	CLOUGH		[		POSTON
	FALLOWS				PRESS
	FIRST LAD	Y			SCHLESINGER
	HARDEN		_		SCHNEIDERS
1	HUTCHESON				STRAUSS
	JAGODA				VOORDE
	GAMMILL		-	_	
L_	<u> </u>		. 4	-	WARREN

### THE WHITE HOUSE WASHINGTON

3/13/78

rick-please send me cc
thanks-- susan

WASHINGTON

10 March 1978

MEMORANDUM FOR THE PRESIDENT

FROM:

RICK HUTCHESON

SUBJECT:

Status of President Requests (Complete Monthly Listing)

### **EIZENSTAT:**

1. (2/16/77) Opportunity for Regulatory Reform -- <u>In Progress</u>, (OMB in final stages of clearing Executive Order, expected 3/24).

2. (1/18) (and Schultze) Analyze for the President: a) S-71, and b) Federal Bank Commission Bill -- to consolidate bank regulations which are now under 3 agencies -- Done.

3. (2/16) (and Secretary Harris) Be sure to get written suggestions regarding the urban policy from black leaders and other groups, so as to derive good ideas and to minimize the inevitable criticisms later on -- In Progress, (expected in 3/16 decision memo).

(proceed)

- 4. (2/21) (and Moore) Assess substance and congressional scheduling and procedures fro the draft of "Emergency Coal Disputes Act of 1978" -- In Progress.
- 5. (3/6) (Confidential) Give the President advice concerning the McIntyre memo on alternatives for consumer representation in government -- Done.

### LIPSHUTZ:

1. (2/6) Give the President a final analysis of what our responsibilities are versus foreign governments for UN protection in New York City by 2/28 -- In Progress, (meeting with State, Secret Service and Treasury held 3/6; Bob asked State to devise a permanent method of handling this problem in the future. He plans to present his recommendations to you well in advance of the expiration date (3/19) on the current order).



### BRZEZINSKI:

- 1. (1/17) (Secret) Consult with Vance, H. Brown and H. Jordan and advise the President on how best to use the information concerning your memo on comparison of SS-20 and ER warhead -- In Progress, (updated report expected 3/15).
- 2. (2/9) (Army Secretary Alexander) Please act without delay to recommend several nominees for Assistant Secretary of the Army for Civil Works. The President will consult with you personally before making the appointment -- <u>In</u> <u>Progress</u>, (with Jim Gammill and Free; meeting with Cong. Derrick 3/15).
- 3. (2/14) Isn't there already a moratorium on the testing of nuclear weapons in space, regarding letter from Sen. Stevenson -- Done.
- 4. (2/14) Comment on the letter from Sen. Muriel Humphrey concerning S. 2420, International Development Cooperation Act. She is concerned that the Executive Branch is dragging its feet on the analysis of this legislation -- In Progress, (expected 3/15).
- 5. (2/23) (Secretary Vance) Have someone briefly assess the letter from Blu Middleton concerning the idea that it is a human right to receive assistance in times of natural or man-made disaster -- Done (attached).
- 6. (3/3) Route this letter from Mrs. Makarezos regarding political prisoners to State for appropriate analysis --In Progress, (with State, expected 3/15).

### MCINTYRE:

1. (7/11) Our emergency loan/grant criteria are too lax; check with Secretary Bergland -- Done.

2. (1/9) (and Eizenstat, Marshall, Kreps and Blumenthal) Give the President a decision memo on a Presidential statement on a National Center for Productivity and Quality of Working Life -- In Progress, (expected 3/15). /



### JORDAN:

- 1. (2/15) Let's expand and expedite the search for the NRC appointment -- In Progress, (Kraft to set up interview).
- 2. (3/8) See the President today regarding the nominees for the Presidential Commission on World Hunger -- Done.

### MOORE:

1. (2/15) Get H. Brown's comment on the letter from Rep. Lederer concerning inconsistencies between service branches in their policies on hiring/firing of chaplains; he believes an oversight investigation is needed -- Done.

# dore

### ARAGON:

1. (3/3) Send Mr. Cisneros a copy of the report on EEOC Field Offices in Miami and San Antonio -- Done.

## dere

### WATSON:

1. (3/8) (Bill Milliken) The President would like for you (and Chip) to talk to Charles Rangel and then arrange a visit with him to Harlem -- Message Conveyed.

## done

### CALIFANO:

1. (3/6) How can Maryland welfare officials use \$2.3 million of \$3.9 million of federal child care allocation for salaries within the state's social services bureaucracy -- Done (in Califano's weekly report).

# dore

### FALLOWS:

1. (2/22) Discuss crime rate reduction with Peter Bourne. Check with others and draft a 10 minute statement; the President may use it in Savannah -- <u>In Progress</u>, (Fallows to see President 3/13).

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### **BOURNE:**

1. (3/6) How can we get maximum benefit without a separate commission on cripplers and killers?-- In Progress, (expected 3/13).



### ATTORNEY GENERAL:

1. (12/2) The President would like for McIntyre, Eizenstat and your designee to present a reorganization plan, budget and analysis and language for the crime message --(OMB is close to finishing the LEAA reorganization plan. A possible date for a crime speech would be May 1, Law Day).

### SCHULTZE:

memo dated 2/22 concerning energy and the dollar -
In Progress (Schlesinger is coordinating the response from an interagency group; expected 3/13). 1 .

March 9, 1978

Dear Mr. Middleton:

President Carter has requested that I respond to your recent letter regarding disaster assistance.

We appreciated your thoughtful proposal and wish to reassure you that the President has assigned high priority to maintaining an effective foreign disaster relief effort and to the maximum extent possible, expanding the role of private and voluntary organizations in relation to this country's overseas assistance programs. Additionally, the Administration has recently formulated a policy linking disaster assistance with human rights. In this regard, we are enclosing a copy of a cable which was sent last summer to all diplomatic and consular posts stating that the effective response to national disasters is an integral aspect of this Administration's emphasis on protecting human rights. We believe this policy reflects the views you express in your letter.

As to your suggestion to use Glasgow AFB as the center for the provision of disaster assistance, we feel that we have an adequate operation now in the Office of U.S. Foreign Disaster Assistance, which is part of the Agency for International Development located at the Departent of State in Washington. It reports to the Administrator of A.I.D., the President's Special Coordinator for International Disaster Assistance and is responsible for effective direction and coordination of overall U.S. responses to foreign disasters. A key component in this disaster response system is the Department of Defense, which is prepared to respond on immediate notice to foreign disaster needs. The combination of the Defense Department's wide-ranging assets, overseas basis, and A.I.D.'s four regional stockpiles, located overseas, has enabled the United States to provide assistance on extremely short notice to any location in the world. other main element of our relief system is the Food for Peace Program. Through this program, hundreds of millions of dollars in food stuffs are provided throughout the world; these food shipments are closely coordinated with the Department of Agriculture and monitored by A.I.D. missions overseas.

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We agree with your recommendation that both short-term relief and long-term assistance should be interlinked. fact, in a recent A.I.D. internal reorganization, a number of steps were taken to ensure that the management of shortand long-term activities is more closely integrated. note that you referred to GAO reports citing inefficiency in disaster relief efforts. From our experience, the GAO has been particularly concerned with either the management of drought relief efforts or reconstruction activities. are particularly complex areas and the management of these efforts requires extremely close coordination and consultation with sovereign nations, as well as the presence of A.I.D. representatives in the afflicted country. reasons, we do not believe it is possible to assign the full-time responsibity for conducting either disaster relief or reconstruction activities to a non-governmental agency. The effective coordination of our overseas Missions, voluntary agencies, international organizations, and other nations with the affected nation to meet the needs of disaster victims is possible only through a U.S. Government agency.

We wish to reassure you, however, that we strongly agree with the very positive suggestions you have made. While we do not feel it is possible to create an independent private disaster organization as proposed in your letter, we definitely want you to be assured that the combined assets of U.S. Government organizations, and such non-governmental organizations as the American voluntary agencies, are working in close concert to meet the needs of disaster victims throughout the world.

Sincerely,

71: (h

Zbigniew Brzezinski

Mr. Blu Middleton
The Montana Energy and MHD Research
and Development Institute, Inc.
P.O. Box 3809
Butte, Montana 59701



# The Montana Energy and MHD Research and Development Institute, Inc.

Post Office Box 3809 Butte, Montana 59701 (406) 494-4569 FTS 587-6100 h Cc: Cy Vance

Have someone

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J. C.

February 8, 1978

President Jimmy Carter White House Washington, D. C. 20500

Dear Jimmy:

Just a note to bring you up-to-date and to congratulate you on your first year in office. You have not disappointed us, and in your words, "I'm proud of you."

I am fairly well settled in The Montana Energy and Research Institute here in Butte. We finally sold our home in Pennsylvania, and Susy joined me along with Josh. Still have Amy, a junior at Westminister, Blake, a junior at Lycoming, and Abby working in Pennsylvania. Possibly we'll gather them all here in Montana sometime this summer.

We have followed very closely your several programs related to energy and human rights as well as your interest in appropriate technology (AT). There is little doubt that these programs are interrelated. While your administration has expressed an interest in AT and initial programs are starting in Agriculture, NSF, DOE and CSA, it does not appear that these relationships are being exploited to the fullest.

In particular, human rights can be viewed as that area of affairs that is accepted and no longer debated. Thus cannibalism, human sacrifice and slavery are clearly unacceptable to all civilized people and the issues are not even discussed. Your administration can make a historic contribution to the advancement of human welfare just to expand this area of agreed upon human conduct. From my work here in Montana I have found an opportunity that you may want to consider.

The idea is simply that it is a human right to receive assistance in times of natural or man-made disaster. Further, this is not an abstract idea, but the United States could build an inexpensive but visible and effective program to actually implement this concept. The concept of the United States not being in an adversary relationship to any other world power, but aligning itself with the innocent victims of disaster is a concept with obvious merit and does translate into action your great dreams and deepest aspirations for your administration and the United States.

divelop a viable use for the abandoned Glasgow Air Force Base here in Montana. We have studied and are in the process of evaluating many of the traditional uses of deactivated military facilities. In addition, I believe we have developed a very unique concept that will benefit the region but, more importantly, the country and the world. The concept is to use this "surplus" SAC base as the headquarters and supply depot for a new organization that will have as its mission to respond to national and international disasters and provide assistance to the lesser developed countries. The organization would couple response to disasters and foreign aid under one organization with full time trained professional employees. Many national and world organizations provide one or both of these services; however, in all cases, they are either short on people, equipment, communication, organization, supplies, or a combination of these.

The key is to offer and provide assistance to those same areas that are in most need of disaster relief, housing, heat, power, water, medicine, and food. The concept is for an integrated international staff working on daily assistance programs with its own communications network, integral air transportation system, developed appropriate regional technologies in the six principle areas, and stockpiled supplies to be available to respond to natural or global disasters within a couple of hours. The same organization and people working in the same technology areas and responding to different but very related problems: relief and assistance.

This is an appropriate activity for the United States to show initiative and a positive demonstration of your and the country's commitment to world-wide humanitarian relief. It will be a highly visible program in which developed and lesser developed countries can participate. The highly developed United States expertise in communications, transportation, and organization, using the systems approach and considering local, cultural, and socioeconomic factors, will use the appropriate technologies to provide for an improved quality of life in the related disaster and assistance areas. In the foreign situation, the objective is not to export United States style technology, but through an integrated team approach, to develop within each country the capability to provide the basic suitable daily necessities and relief in time of need.

The initial costs and operational costs are small. Glasgow AFB, estimated at more than \$200 million at today's prices, which now stands idle and useless, could be made available for almost nothing. A few military type air transports would be required. The Air Force and commercial air/rail/sea transportation would be utilized for extensive supplying. Within 30 months a 300-400 person organization, with a stand-by reserve from students and ex-Peace Corps volunteers of 1,000-2,000, could be established and be operational. The costs during the build-up would be \$12-18 million exclusive of aircraft and initial supply stockage. Once fully operational, the cost of operation would be more than covered under existing disaster and assistance funding because of increased efficiency of operation. Numerous GAO reports site waste of 20-30% in some disaster relief efforts in which the United States has spent over a billion dollars in recent years. The idea is to set up an independent private organization reporting to the White House to do this for five years. Cooperation with existing governmental agencies would be required, but no agencies would be eliminated. At the end of five years, the proper place within the government or as an established organization would be made. An immediate initial funding of approximately one million

would be adequate for initial staffing, forming detailed plans, operational requirements and procedures for an eight month period.

The timing of this is important because of the immediate opportunity to demonstrate our willingness to those in need and because of the disposition of Glasgow AFB probably within the year. There are other facilities that could be made available at some future time that have some of the desired characteristics; however, we feel that Glasgow has all of the desired features and is available now. We have made one briefing at the White House Staff level to Kathy Fletcher, and expect to be called back. If you or someone else on your staff is interested in more details, we would be willing to provide them by briefing or in writing.

Sincerely Blu Weller